

QUONSET DEVELOPMENT CORPORATION
MEETING OF BOARD OF DIRECTORS

PUBLIC SESSION
MINUTES

January 10, 2005

A meeting of the Board of Directors of the Quonset Development Corporation (the “Corporation”) was held at 5:00 p.m. on Monday, January 10, 2005 at the offices of the Corporation located at 30 Enterprise Drive, North Kingstown, Rhode Island, pursuant to notice to all members of the Board of Directors and a public notice of the meeting as required by the Bylaws of the Corporation and applicable Rhode Island law.

The following directors constituting a quorum were present and participated throughout the meeting as indicated: Robert Crowley, Tom Hazlehurst, Barbara Jackson, Anthony F. Miccolis, Jr., John G. Simpson and Michael McMahon. David Doern joined the meeting at 5:10 p.m.

Directors absent were: M. Paul Sams, Kas DeCarvalho and John A. Patterson.

1. CALL TO ORDER

The meeting was called to order at 5:00 p.m. by Chairman McMahon.

2. CHAIRMAN'S COMMENTS

Mr. McMahon acknowledged the contributions of the members of the Quonset/Davisville Management Corporation Board of Directors and in particular thanked Senators J. Michael Lenihan and James Sheehan and Representatives Melvoid Benson and Kenneth Carter for their contributions in supporting the legislation creating Quonset Development Corporation.

Mr. McMahon introduced the members of the Board of Directors and thanked them for their willingness to serve as members of the Board.

Mr. McMahon reviewed the directors and officers insurance coverage, the meeting agenda format and the code of ethics and code of conduct applicable to the Board of Directors.

Mr. McMahon introduced W. Geoffrey Grout, Managing Director of Quonset Development Corporation and indicated that he was very confident in Mr. Grout's leadership and the direction in which the Quonset property is heading.

3. MANAGING DIRECTOR'S COMMENTS

Mr. Grout introduced members of his staff including Michael Geezil, Chief Financial Officer, Steven King, Professional Engineer, Karen LaChance, leasing and tenant relations, Evan Matthews, marketing, and Jack Sprengel, property management.

4. ORGANIZATIONAL RESOLUTIONS.

A. Adoption of QDC Conflict of Interest Policy and Code of Conduct.

Upon motion duly made by Mr. Crowley and seconded by Mr. Hazlehurst, the Board:

VOTED: That the Corporation approve and adopt a Conflict of Interest Policy and Code of Conduct (the “Code of Conduct”) in the form thereof attached hereto as Exhibit A, which Code of Conduct shall, among other things, prescribe standards for members of the Board of Directors, officers and staff of the Corporation with respect to policies and procedures regarding conflicts of interest, maintenance of relationships with surrounding towns, and confidentiality.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

B. Adoption of QDC By-laws.

Upon motion duly made by Mr. Hazlehurst and seconded by Ms. Jackson, the Board:

VOTED: That the By-Laws (the “By-laws”) attached hereto as Exhibit B, be and the same hereby are adopted as the By-Laws of the Corporation and a copy of the By-Laws will be filed in the record book of the Corporation.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

C. Appointment of QDC Officers.

Upon motion duly made by Mr. Doern and seconded by Ms. Jackson, the Board:

VOTED: To ratify and confirm the appointment of the following person to the office set forth opposite his name to serve in accordance with Section 42-64.9-7(b) of the General Laws of the State

of Rhode Island (the “General Laws”) and the By-Laws of the Corporation:

Name	Office
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W. Geoffrey Grout	Managing Director
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Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

D. Election of QDC Officers.

Upon motion duly made by Mr. Crowley and seconded by Mr. Hazlehurst, the Board:

VOTED: That the following persons are hereby elected to the offices set forth opposite their names, to hold such offices until the time fixed in accordance with the By-Laws of the Corporation for the next annual meeting of the Board of Directors of the Corporation and thereafter until their successors shall have been duly elected and qualified:

Name Office

M. Paul Sams Vice-Chairperson

E. Jerome Batty Secretary

Karen LaChance Assistant Secretary

Michael E. Geezil Finance Director

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

E. Adoption of Regular Meeting Schedule.

Upon motion duly made by Mr. Crowley and seconded by Ms. Jackson, the Board:

VOTED: That the Board of Directors adopt the schedule of regular meetings set forth on Exhibit C attached hereto.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

F. Establish Committees and Approve Committee Appointments.

Upon motion duly made by Mr. Doern and seconded by Ms. Jackson, the Board:

VOTED: That the Board of Directors establish the following:

(a) an Audit and Finance Committee (the “Audit and Finance Committee”) which shall, among other things, (i) develop and recommend for review and approval of the Board of Directors the Corporation’s annual budget, (ii) have the responsibility to oversee and review the Corporation’s finances and financial systems, (iii) see that the books of account for the Corporation are properly cast, (iv) recommend to the Board of Directors the selection of an independent accountant to audit the financial records of the Corporation and any other related activities, and (v) recommend to the Board of Directors on an annual basis any changes in accounting procedure or other financial matters affecting the Corporation’s finances;

(b) a Governance Committee (the “Governance Committee”) which shall, among other things, advise the members of the Board of

Directors and officers of the Corporation with respect to the best practices of governance, conflicts of interest, corporate ethics and responsibilities, and the maintenance of the public trust of the citizens of the State of Rhode Island;

(c) a Marketing and Business Development Committee (the “Marketing and Business Development Committee”) which shall, among other things, assist the Managing Director with the promotion and development of the Quonset Business Park (the “Park”), consistent with the Corporation’s mission statement;

The composition of such Audit and Finance Committee, Governance Committee, Marketing and Business Development Committee to be appointed by the Chairperson with the advice of the Board of Directors, the initial members of such Committees being set forth on Exhibit D attached hereto.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

G. Establish Design Review Committee.

Upon motion duly made by Mr. Doern and seconded by Mr. Hazlehurst, the Board:

VOTED: That the Board of Directors establish a Design Review Committee (the “Design Review Committee”) which shall, among other things, advise the members of the Board of Directors and officers of the Corporation with respect to the implementation and maintenance of high standards for design, improvement, operation and use of the property under the Corporation’s control, including the consideration of all building renovations and additions and proposed new building projects; the composition of such Design Review Committee to be appointed by the Chairperson with the advice of the Board of Directors, the initial members of such Committee being set forth on Exhibit E attached hereto.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

H. Adoption of Tenant/Resident Matter Resolution Procedure.

Upon motion duly made by Mr. Crowley and seconded by Ms. Jackson, the Board:

VOTED: That the Corporation approve and adopt the Tenant/Resident Matter Resolution Procedure (the “Tenant Resolution Procedure”) set forth on Exhibit F attached hereto, which Tenant Resolution Procedure prescribes, among other things, the procedure by which a tenant at the Park may raise issues, disputes and concerns, and the method in which such issues, disputes and concerns are handled by the officers and directors of the Corporation.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

I. Adoption of (temporary) Purchasing Regulations.

Upon motion duly made by Mr. Crowley and seconded by Mr. Hazlehurst, the Board:

VOTED: That the Corporation approve and adopt regulations governing the procurement of supplies and services (the “Purchasing Regulations”) in substantially the form set forth on Exhibit G attached hereto, the purpose of which shall be to, among other things, ensure the equitable, efficient and cost effective procurement of supplies and

services on behalf of the Corporation.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

J. Adoption of Investment Policy.

The procedures were amended to include in Section III C.(ii) the following sentence: “For procurements between \$2,500 and \$5,000, three (3) bids must be obtained in writing”.

VOTED: That the Corporation approve and adopt an investment policy (the “Investment Policy”) in substantially the form set forth on Exhibit H attached hereto, the purpose of which shall be to, among other things, govern the investment of the Corporation’s available funds in various types of investments and institutions as set forth in the Investment Policy.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

K. Adoption of Financial and Operating Authority Matrix.

Ms. Jackson inquired as to whether the staff had adopted parameters within which lease approvals would take place. Mr. Grout indicated that staff recommendations with respect to appropriate parameters would be presented at the next Board meeting. Following discussion upon motion made by Mr. Hazlehurst and seconded by Mr. Crowley:

VOTED: That the officers, directors and other persons acting on behalf of the Corporation and appointed to or otherwise holding the positions reflected on that Financial and Operating Authority Matrix attached hereto as Exhibit I are hereby authorized to execute, acknowledge and deliver any and all documents, certificates or instruments in the amounts contemplated thereon, including without limitation, documents, certificates or instruments which may be recorded with the office of any recorder of deeds or land records offices, and are hereby further authorized to take any and all actions authorized thereon or useful in connection therewith, as are recited under the title of said officer, director or other person reflected on said Exhibit I.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

L. Adoption of Banking Authority Resolutions.

Upon motion duly made by Ms. Jackson and seconded by Mr. Crowley, the Board:

VOTED: That the Corporation hereby authorizes the Chairperson, Managing Director and Director of Finance, acting singly, to open, establish, maintain, and/or operate, on behalf of and in the name of the Corporation, one or more checking, transaction, savings, special notice, time, investment, capital, electronic funds transfer and other deposit accounts with banks or other financial institutions (“Institutions”) from time to time and on such terms and conditions and with such designated signatories as such officer(s), in their discretion, may deem advisable and in the best interests of the Corporation, each of which accounts shall be subject to such Institutions’ rules and regulations (as modified from time to time) and each of which accounts may be drawn upon or charged by check, draft, or other written order signed by said officer(s) and/or persons or by bank wire or other transfer made pursuant to written or oral

instructions believed by such Institutions in good faith to have been given by said officer(s) and/or persons, or by or through electronic, data, or other signals believed by such Institutions in good faith to have been made, initiated, or given pursuant to one or more electronic funds transfer systems established by and/or with such Institutions.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

M. Approval of Application for Private Letter Ruling re: Tax Status.

Upon motion duly made by Mr. Crowley and seconded by Mr. Doern, the Board:

VOTED: That the Corporation hereby authorizes the filing of an application for recognition of exemption from Federal income tax, or alternatively, the preparation of a request for a private letter ruling from the Internal Revenue Service with respect to the Corporation's tax status, and that the Chairperson is hereby authorized and directed

on behalf of the Corporation to perform such acts and execute such documents, by or through the Corporation's counsel or otherwise, as in the Chairperson's sole discretion are necessary to accomplish the foregoing.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

N. Authorization of Employee Agreement with RIEDC.

Upon motion duly made by Ms. Jackson and seconded by Mr. Hazlehurst, the Board:

VOTED: That the Corporation is hereby authorized to enter into and execute any agreements, instruments or other documents with the Rhode Island Economic Development Corporation (the "RIEDC") with respect to the sharing, leasing, or other engagement of RIEDC employees by the Corporation, and to further authorize the Chairperson, the Managing Director or the Director of Finance, acting singly, for and in the name of and on behalf of the Corporation, to execute and deliver to the RIEDC any such agreements, instruments

or other documents in connection therewith, each containing such terms and conditions as such officers may by any of their execution thereof approve, and to take such other actions, all on behalf of the Corporation, as such officer or any of them acting singly deems necessary or desirable to carry out the terms of this vote; the execution and delivery of such agreements, instruments or other documents and the taking of such other actions by such officers or any of them to be conclusive evidence that the same has been approved by this vote.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

O. Approval of Fiscal Year.

Upon motion duly made by Ms. Jackson and seconded by Mr. Crowley, the Board:

VOTED: That the Corporation will keep its financial records and statements on the basis of a fiscal year ending June 30th.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms.

Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved.

P. Adopt Annual Meeting Date.

Upon motion duly made by Mr. Crowley and seconded by Ms. Jackson, the Board:

VOTED: That until otherwise ordered, the annual meeting of the Board of Directors of the Corporation shall be held at the offices of the Corporation on the third Monday of October of each year at 5 o'clock p.m., or at such other time as the Board of Directors may from time to time announce.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved

Q. Catch-all Resolution.

Upon motion duly made by Mr. Crowley and seconded by Mr. Doern, the Board:

VOTED: That the Chairperson, the Managing Director or the Director of Finance of the Corporation, each acting singly and in such officer's sole discretion on behalf of the Corporation, are each hereby authorized and directed to take such actions and to execute, acknowledge, attest, certify and deliver any documents, certificates, writings or instruments as may be necessary or appropriate to carry out the purposes and intent of the foregoing votes, and that all such actions taken by such officers or any of them in furtherance of the foregoing votes are hereby ratified, confirmed and approved.

Voting in favor were: Mr. Crowley, Mr. Doern, Mr. Hazlehurst, Ms. Jackson, Mr. Miccolis and Mr. Simpson.

Voting against were: none.

Unanimously approved

5. MANAGING DIRECTOR'S REPORT

Mr. Grout provided the Managing Director's Report and reviewed the development program and indicated that there was a great deal to accomplish during the next year. Mr. Grout indicated that the Corporation is developing a vision of where we are going and how the

\$48,000,000 bond issue to improve infrastructure would be utilized. The bond funds will be used to improve roadway systems, complete demolition work and replace bulkheads. Engineering work to support the expenditures is currently underway.

Mr. Grout reviewed the process which will be implemented for the selection of the Gateway developer. He also reviewed the relationship between the Corporation and RIAC regarding operations at Quonset Airport.

Mr. Grout noted that staff are continuing to work on improving the relationship with the Town of North Kingstown. Ms. Jackson inquired as to certain aspects of the Pilot Agreement, and Mr. Grout reviewed the terms of the Pilot Agreement with the Town of North Kingstown and the Corporation.

Mr. Geezil reported with respect to financial matters and noted that fiscal year 2005 is a transitional year and that the budget had been prepared prior to the Quonset Development Corporation coming into existence.

There being no further business to come before the Board, upon motion duly made by Mr. Miccolis and seconded by Mr. Doern, the meeting was adjourned at 6:10 p.m.

Respectfully submitted by:

By:

E. Jerome Batty, Secretary

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